UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to

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ARTHUR JAMES BALLETTI, et al.

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On May 3, 1961, Colonel Sheffield Edwards, Director of Security, Central Intelligence Agency (CIA) furnished the following information. X(u)

Colonel Edwards advised that in connection with CIA's operation against Castro he personally contacted Robert Maheu during the Fall of 1960 for the purpose of using Maheu as a "cut-out" in contacts with Sam Giancana, a known hoodlum in the Chicago area. Colonel Edwards said that since the underworld controlled gambling activities in Cuba under the Batista government, it was assumed that this element would still continue to have sources and contacts in Cuba which perhaps could be utilized successfully in connection with CIA's clandestine efforts against the Castro government. As a result, Maheu's services were solicited as a "cut-out" because of his possible entree into underworld circles. Maheu obtained Sam Giancana's assistance in this regard and according to Edwards, Giancana gave every indication of cooperating through Maheu in attempting to accomplish several clandestine efforts in Cuba. Edwards added that none of Giancana's efforts have materialized to date and that several of the plans still are working and may eventually "pay off." X(u)

Colonel Edwards related that he had no direct contact with Giancana; that Giancana's activities were completely "back stopped" by Maheu and that Maheu would frequently report Giancana's action and information to Edwards. No details or methods used by Maheu or Giancana in accomplishing their missions were ever reported to Edwards. Colonel Edwards said that since this is "dirty business" he could not afford to have knowledge of the actions of Maheu and Giancana in pursuit of any mission for CIA. Colonel Edwards added that he has neither given Maheu any instruction to use technical installations of any type nor has the subject of technical installations ever come up between Edwards and Maheu in connection with Giancana's activity. X(u)

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DECLASSIFIED BY SP4 [illegible] ON 3/9/81 to IP# 22,330
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ENCLOSURE

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/10/84 BY [illegible]

Colonel Edwards reported that Maheu did come to [illegible] concerning the arrest in Las Vegas of Balletti for "wire tapping." Maheu cautioned Edwards that the Balletti arrest could cause CIA some embarrassment since Balletti was in Las Vegas attempting to obtain coverage on some "Hollywood people" in connection with Giancana's efforts for CIA. Edwards said that he did not know the facts of the Balletti case and Maheu claims "Balletti went too far" in his efforts to obtain information. Edwards added that he was unaware of any reason for this activity of Maheu or Giancana in Las Vegas and that Giancana's activity in furtherance of the anti-Castro activity was left completely in Maheu's hands. (u)

Colonel Edwards advised that only Mr. Bissell (Deputy Director of Plans, CIA) and two others in CIA were aware of the Giancana - Maheu activity in behalf of CIA's program and that Allen Dulles was completely unaware of Edwards' contact with Maheu in this connection. He added that Mr. Bissell, during his recent briefings of General Taylor and the Attorney General in connection with their inquiries into CIA relating to the Cuban situation, told the Attorney General that some of CIA's associated planning included the use of Giancana and the underworld against Castro. (u)

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